



SAN ANTONIO MOBILITY COALITION, INC.

Transportation Solutions for an Improved Quality of Life

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September 27, 2018

Texas Commission on Environmental Quality
Air Quality Division
Implementation Grants Section, MC-100
PO Box 13087
Austin, Texas 78711-3087

RE: Response to draft Beneficiary Mitigation Plan issued by the Texas Commission on Environmental Quality

Dear Chairman Niermann:

The San Antonio Mobility Coalition, Inc. (SAMCo) appreciates the opportunity to respond to the Texas Commission on Environmental Quality's (TCEQ) Request for Public Comment regarding the draft Beneficiary Mitigation Plan (BMP).

SAMCo is a public-private partnership that advocates for transportation projects and funding in the San Antonio region. Members include Bexar County, the City of San Antonio, VIA Metropolitan Transit, the Alamo RMA, the Alamo Area Council of Governments (AACOG), five chambers of commerce and more than 80 private sector firms with an interest in addressing congestion in our region.

With regard to the proposed draft Beneficiary Mitigation Plan for the Volkswagen settlement funds, our Board of Directors were briefed by AACOG staff as part of our September 24, 2018 meeting.

Following that briefing, our Executive Committee voted to fully endorse the attached testimony from the Alamo Area Council of Governments and to approve this letter of endorsement for same.

Please contact us if you have any questions regarding our testimony or if we can provide you any other supportive information.

Thank you,

Ray Lopez
SAMCo Board Chairman

Victor M. Boyer
SAMCo President & CEO

GOVERNMENTAL: Bexar County • City of San Antonio • VIA Metropolitan Transit **PATRON:** Civil Engineering Consultants • HNTB Corporation • Jacobs • Pape-Dawson Engineers, Inc. • SWBC • USAA • Williams Brothers Construction Company, Inc. **ADVOCATE:** Alamo Concrete Products • Arias & Associates • Bain Medina Bain, Inc. • Bracewell LLP • Broadway Bank • Brown & Gay • CDS Muery • Cemex • Cobb, Fendley & Associates • CP&Y • Dannenbaum • Freese & Nichols • HDR Engineering, Inc. • HVJ Associates • HOLT CAT • IBC Bank • IDCUS • Jones & Carter • KGBTexas • LNV Engineering, Inc. • Locke Lord LLP • Lockwood Andrews & Newnam, Inc. • Lone Star Paving • Martin Marietta • Michael Baker International • Parsons • Port Authority of San Antonio • Poznecki-Camarillo Associates, Inc. • Raba-Kistner Consultants, Inc. • RJ RIVERA Associates, Inc. • RS&H • Security Service Federal Credit Union • Sundt Construction • Terracon • Unintech • Vickrey & Associates • Vulcan Materials • WSP • Zachry Construction Corporation **ASSOCIATE:** AACOG • AGC of Texas • Alamo RMA • American Council of Engineering Companies San Antonio • Brooks • City of Hollywood Park • City of Seguin • CPS Energy • Free Trade Alliance of San Antonio • Greater Austin-San Antonio Corridor Council • Greater New Braunfels EDF • Medical Center Alliance • North San Antonio Chamber of Commerce • Real Estate Council of San Antonio • San Antonio Chamber of Commerce • San Antonio Hispanic Chamber of Commerce • South San Antonio Chamber of Commerce **GENERAL:** 18 additional entities



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September 26, 2018

Texas Commission on Environmental Quality
Air Quality Division
Implementation Grants Section, MC-100
PO Box 13087
Austin, TX 78711-3087

RE: Response to the draft Beneficiary Mitigation Plan issued by the Texas Commission on Environmental Quality

Dear Chairman Niermann:

The Alamo Area Council of Governments (AACOG) Board of Directors appreciates the opportunity to respond to the Texas Commission on Environmental Quality's (TCEQ) Request for Public Comment regarding the draft Beneficiary Mitigation Plan (BMP).

The Alamo Area Council of Governments was established in 1967 as a political subdivision of the State of Texas, under Chapter 391 of the Local Government Code. AACOG is a voluntary association of local governments and organizations that serves its members through planning, information, and coordination activities. AACOG serves State Planning Region 18, covering Atascosa, Bandera, Bexar, Comal, Frio, Gillespie, Guadalupe, Karnes, Kendall, Kerr, Medina, McMullen and Wilson counties. The AACOG Board of Directors (BOD) is the governing body for the agency.

AACOG also administers the Alamo Area Clean Cities Coalition, a program of the U.S. Department of Energy's Vehicle Technologies Office. The Clean Cities program advances the nation's economic, environmental, and energy security by supporting local actions to reduce the use of petroleum in transportation. The Alamo Area Clean Cities Coalition partners with local and statewide organizations in the public and private sectors to grow the market for alternative fuels and vehicles.

On August 8, 2018, the TCEQ released its draft BMP for the Volkswagen settlement funds. The draft BMP revealed TCEQ's intent to allocate \$73,554,754 to the San Antonio area for the replacement or repower of older medium- and heavy-duty onroad and nonroad equipment. This allocation represents the largest share of Texas's funding from the Volkswagen settlement that goes to any one particular region. For the purposes of the draft BMP, the San Antonio area includes Bexar, Comal, Guadalupe, and Wilson Counties.

The AACOG Board of Directors is pleased to support components of the draft BMP as it will significantly aid in achieving attainment of the 2015 ozone National Ambient Air Quality Standards (NAAQS). The AACOG region has been hard at work developing the most effective plan for efficiently and effectively investing these resources, and we appreciate the recognition by TCEQ as to the transformative impact these funds will have. The AACOG Board of Directors appreciates and supports the decision by TCEQ to allocate targeted funds to nonattainment areas, maintenance areas, and areas of immediate concern for being designated nonattainment, including over \$73 million to the San Antonio Area, for the following reasons:

First, Bexar County was declared nonattainment of the 2015 ozone NAAQS in July 2018. With a 2017 design value of 74 parts per billion, it is the closest to attaining the standard of any other nonattainment area in Texas. With annual costs of marginal nonattainment to Bexar County estimated to be at least \$79.6 million, the potential benefit of getting Bexar County out of nonattainment as soon as possible outweighs the cost of the targeted allocation of funds to the San Antonio area as outlined in the BMP.¹

Second, the number of affected vehicles per thousand people in the San Antonio area is the largest out of any of the five regions tentatively slated to receive targeted allocation of mitigation funds (Table 1). This is based on vehicle count data from the National Renewable Energy Laboratory and population data from the U.S. Census Bureau.²

Table 1: Number of Affected Vehicles per Thousand People in Eligible Areas

Eligible Area for Funding	Number of Affected Vehicles	Population	Affected Vehicles per 1,000 People
Dallas-Fort Worth	10,027	7,296,945	1.37
Houston-Galveston-Brazoria	9,345	6,862,641	1.36
San Antonio	3,771	2,308,550	1.63
El Paso	903	840,410	1.07
Beaumont-Port Arthur	353	398,485	0.89

In order to ensure the most-efficient use of mitigation funds, the AACOG Board of Directors has made recommendations for inclusion in the final BMP.

The AACOG Board of Directors recommends TCEQ continue to coordinate with regional Councils of Governments (COGs). COGs have strong existing ties with local stakeholders and member governments and therefore have keen insights into local conditions, including the needs of area fleets, resource availability, and funding sources. COGs are currently sub-grantors for state and federal funding, such as Homeland Security Planning, Criminal Justice Planning and Resource Recovery, and have existing protocols in place to ensure the efficient distribution of funding. COGs are able to prioritize the needs of the region to ensure fair and efficient distribution of funds that best meet the needs of the region.

The AACOG Board of Directors recommends that reimbursement rates under the TCEQ BMP mirror those found in the *Environmental Mitigation Trust Agreement for State Beneficiaries* ("Trust"). This includes allowing for up to 100% reimbursement for all eligible government-owned equipment. Many of our smaller governmental entities and school districts do not have the funding available to take advantage of this opportunity if there is a significant match required. FY 19 budgets are already adopted and there is no provision for the required match. This also includes allowing for up to 75% reimbursement for privately-owned equipment that is being repowered or replaced with electric engines. The TCEQ has expressed interest in expending the mitigation funds as quickly as possible. We share this sense of urgency in order to rapidly impact Bexar County's air quality. Providing the maximum allowable reimbursement for interested parties will incentivize them to take full advantage of the mitigation funds in furtherance of TCEQ's goal.

The AACOG Board of Directors also recommends allowing freight switchers to be eligible for mitigation funding, as provided in the Trust. Bexar County alone contains eight rail yards where freight switching activities occur (with a ninth located less than a quarter mile from the county line). Most of these are located upwind of the two ozone monitors in violation of the 2015 ozone NAAQS (Figure 1). Upgrading switcher locomotives to cleaner engines may have an

¹ AACOG, February 2017. "Potential Cost of Nonattainment in the San Antonio Metropolitan Area". P. 64. Available online: http://www.aacog.com/DocumentCenter/View/41742/Contract_582-16-60180_Deliverable_5-2_Cost_of_Nonattainment_Analysis_Rev0. Accessed 08/29/2018.

² Narvaez, Jenny. "RE: NREL VW Vehicle Count". Email, 2018

additional impact on reducing ozone levels at these monitors. Furthermore, including switcher locomotives to the list of eligible mitigation actions will accelerate the use of funds allotted to the San Antonio Area.

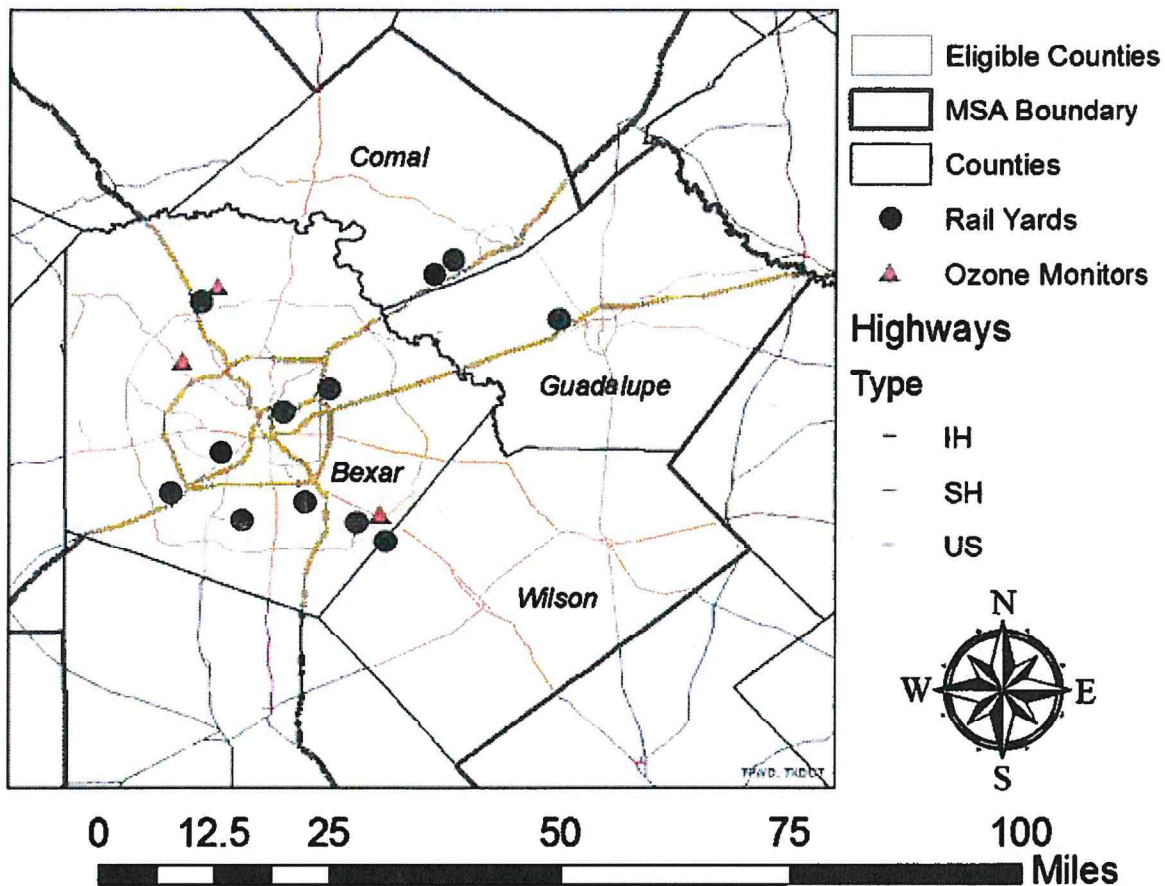


Figure 1: Rail Yards and Regulatory Ozone Monitors in Eligible Counties

The AACOG Board of Directors believes that the key provisions of the draft Beneficiary Mitigation Plan, in conjunction with the recommendations provided in this letter, will leverage Volkswagen Environmental Mitigation Trust funding to maximize near- and long-term air quality improvements and possibly bring the Bexar County into attainment of the 2015 ozone NAAQS.

Please let us know if you have any questions regarding our comments. We look forward to continuing working with TCEQ in the future.

Sincerely,

Chris Schuchart

Chris Schuchart
County Judge, Medina County
Chairman, AACOG Board of Directors